GOVERNMENT OF INDIA
ROAD TRANSPORT AND HIGHWAYS
LOK SABHA

UNSTARRED QUESTION NO:299
ANSWERED ON:17.11.2016
Financial Management of NHAI
Singh Shri Sushil Kumar

Will the Minister of ROAD TRANSPORT AND HIGHWAYS be pleased to state:

(a) whether the Comptroller and Auditor General of India has reported about the financial management of National Highways Authority of India (NHAI) if so, the details thereof;

(b) whether the developer companies that are allowed to collect tolls have achieved milestones if not, the reasons therefor;

(c) the action taken against such defaulting developers; and

(d) the immediate steps taken by Government to improve financial management of NHAI?

Answer

THE MINISTER OF STATE
IN THE MINISTRY OF ROAD TRANSPORT AND HIGHWAYS

(SHRI PON. RADHAKRISHNAN)

(a) The Comptroller and Auditor General of India(C&AG), audit the accounts of National Highways Authority of India (NHAI) every year. The Audited Annual Accounts, Audit report there on and Management Reply on each of the Audit Observations along with the Annual Report are submitted to the Central Government which causes the annual report and auditors report to be laid before each house of parliament. The Annual report for Financial Year 2014-15 has already been laid before the parliament.

(b) & (c) In general, the developer companies have achieved milestones subject to various limitations of encumbrances and financial scenario. However, there have been delays due to problems in land acquisition, utility shifting, non-availability of soil/ aggregates, poor performance of contractors, Environment/ Forest/Wildlife Clearance, ROB & RUB issue with Railways, public agitation for additional facilities, arbitration/contractual disputes with contractors etc. Provisions for action against any default are inbuilt in the specific concession agreements.

(d) Several steps have been taken by the Government to facilitate liquidity with the concessionaires and to bail out stressed projects such as loan secured to the extent of termination payment, securitization of toll income (30% of TPC), infrastructure debt fund − long term financing at low interest rates, re-schedulement of premium, 100% exit after 2 years of completion in projects awarded before 2009, one time rationalized compensation to Concessionaire for delays not attributable to them, fund infusion in stalled projects where the physical progress is 50% and the concessionaire is facing shortage of funds, liberally permitting refinance with elongation of repayment period etc. RBI has also issued circular for providing long term debt finance matching the concession period without classifying the exposure as restructured.

*****